INTRODUCTION

Implicit in the Commission's request for progress reports on the status of negotiations is that there would be some progress about which to report. And given that the Act establishes a rigid and aggressive timetable within which negotiations must be conducted, almost 50% of which has, in the case of the AT&T - BA-MD negotiations, now expired, the parties should be in a position to satisfy such an implication. Regrettably, however, that is not the case, for there is very little in the way of progress that AT&T can report. Despite more than 30 meetings and conference calls with Bell since AT&T submitted, on March 1, 1996, its request to commence negotiations pursuant to the Act, it was only 5 days ago that Bell first proposed how it would address some of AT&T's requests. And that proposal described only how Bell proposed to address resale of its services. And even limited in that fashion as it was, that proposal was woefully incomplete, failing even to include as rudimentary a matter as a list of the services that Bell proposed to offer for resale. Nor did it include any reference at all to proposed wholesale rates for the services it would ultimately deign to offer for resale. Finally, despite having received from AT&T on March 22 a specific and detailed description of the unbundled network elements that AT&T desires to purchase, Bell has yet to even meet with AT&T to discuss the unbundled network element issues, let alone propose how, and at what prices, it would address AT&T's requirements

In short, there has been no meaningful progress in the negotiations save, perhaps, for Bell's concessions in some areas of detail regarding provisioning interfaces and billing practices. Those few instances where Bell can claim to have agreed in principle to some technical details regarding AT&T's requirements are, however, far outnumbered by those

where they have not. And more fundamentally, Bell's recent proposal refuses to acknowledge that, in order for their resale efforts to have any chance of gaining a foothold in the entrenched local exchange market, AT&T and other local exchange service competitors must be able to insure that their customers are not disadvantaged by choosing an alternative supplier for their local service. Yet time and time again, Bell proposes to treat AT&T's resale efforts as it would another retail customer, not a competing provider of a service that presently only Bell can supply.

Because BA-MD has both powerful incentives to delay and frustrate effective exchange competition and an immense advantage in bargaining power, the only way these negotiations can proceed with any chance of success is for the Commission to make it clear that it will not countenance further delaying tactics, and that it will foster competition in the local exchange -- now -- by establishing an interim wholesale rate that will facilitate the only feasible short-term market entry strategy for this segment of the market.

STATUS OF THE NEGOTIATIONS

On March 1, 1996, AT&T hand-delivered to BA-MD its letter requesting commencement of negotiations under the Act. That same day, executives from AT&T met with members of the Bell team responsible for the negotiations. AT&T told Bell that its objectives in the negotiations were to obtain voluntary agreements on both resale of services and access to unbundled network elements, and that it was prepared to devote the

necessary resources to begin work immediately to achieve those objectives[1]. The parties agreed that negotiations could begin on a region-wide basis, with specific and timely identification of particular issues that needed to be resolved at a state level. Bell stated at that meeting that it planned to listen to AT&T's description and explanation of its requests and those of other prospective local exchange companies, and in late April or early May, deliver a comprehensive proposal that would set forth Bell's position for all new entrants. Bell also stated that it believed that some of the issues AT&T had raised were not subject to negotiation under the Act. AT&T, troubled by the prospect of a 60 day wait for receipt of initial proposals that may not include all the issues that had been identified, urged Bell to consider closing out certain issues sequentially as the meetings with AT&T were taking place, or establishing separate tracks for negotiating some issues. Bell declined.

The negotiations have thus proceeded via meetings, conference calls, individual telephone conversations and correspondence. Typically, working teams, consisting of negotiators and subject matter experts from both companies, on particular issues will convene to explore the ramifications of AT&T's requests and to insure that those requests are clearly understood. An Executive Oversight Group, consisting of ranking executives from both companies, has been established. There is a weekly meeting of this group, at which the status of particular issues that have been escalated is discussed. Members of the oversight group jointly record the minutes of their meetings.

[1] In fact, prior to and in anticipation of the March 1 demand letter, AT&T had provided to Bell a detailed description of its requirements for service resale, and had hosted a 2-day meeting with Bell on February 27 and 28 to explain the document's contents, establish working relationships and prepare for and commence the negotiations.

Status of Particular Subjects in Negotiation

1. Unbundled elements: On March 22, Bell received AT&T's detailed specifications for access to unbundled network elements. At AT&T's suggestion at a meeting prior to transmission of the document, Bell had agreed promptly after receipt to schedule a meeting to review the document. On April 4, Bell informed AT&T that it was not yet ready to meet to discuss the document and stated that the Comprehensive Proposal to be delivered May 1 would not address unbundled elements. Thereafter, at meetings on April 12 and 18, Bell again advised that it was not yet ready to meet to discuss AT&T's specifications. Finally, on April 23, fully one month after its receipt of the document, Bell advised that it had some questions about AT&T's request for unbundled network elements that it would like to discuss. An initial meeting has been scheduled for May 10.

2. Local Service Resale:

a. Identification of services: The Act establishes the duty of BA-MD "to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." Act, section 251(c)(4)(A); emphasis added. Bell advised AT&T at a meeting on February 28 that there were some services that it believed were not subject to the Act[2] and that it was in the process of identifying all such services. AT&T requested that this identification be performed fairly promptly since it was AT&T's desire (and its right) to be able to resell all the services that Bell provides at retail to non-carrier customers. At meetings with Bell on March 14 and

[2] The two identified at the time were access services and inside wire.

22, this issue was again raised, and AT&T asked whether it would be able to review copies of Bell's agreements with end-users. At another meeting on March 22, AT&T proposed to Bell that teams consisting of representatives of both companies produce a list of the products and services Bell was willing to offer for resale by jointly analyzing the relevant Bell Atlantic tariffs. Bell advised in early April that it would be able to produce the list of services from its systems and that the joint tariff search was not necessary. On April 5, AT&T wrote to Bell describing a proposed format for the list. On April 12, Bell advised that it believed that it could provide the information in the requested format, and that it would endeavor to have the list of services for the state of Maryland available during the week ending April 19. At a meeting April 18 in Baltimore, Bell advised that the list might be delayed by a week or two due to the use of an alternate source. At the end of the following week, Bell advised that it might be still several more weeks before the initial state list would be completed. AT&T offered, in a letter dated April 26, to revert to the joint tariff search if necessary to generate the list. Bell advised that its comprehensive proposal would provide sufficient information about the services to be offered for resale.

The proposal, however, does no such thing[3], and merely states again that the oft-deferred list is still to be delivered at a later date. At a meeting on May 2, Bell stated again that the proposal contained sufficient information to determine the services offered for resale, and in the face of AT&T's disagreement and offer to renew the joint tariff search, stated that it lacked the resources to participate in the joint review and that it could not produce the bulk of the list until June 15. Thus, at this point, AT&T knows

[3] The proposal was legended by Bell as subject to the parties' confidentiality agreement, and in order, therefore, to avoid any potential disputes about the scope of that agreement, AT&T will only describe the status of the negotiations, rather than quoting from or summarizing the document itself.

definitively only that Bell believes there are some limits to the word "any" but does not know what those limits are.

b. Service Parity: Total service resale is critically important both as a means quickly to bring at least some of the benefits of competition to consumers and as a springboard to facilities-based entry, without which the full purpose of the Act cannot be achieved. Resellers can utilize many of their own inputs, including customer service and end-user billing and marketing, to meet customer demand, and these inputs may be more efficiently provided by the reseller. Resale also places additional pressure on BA-MD to price its services rationally in order to minimize the opportunities for new entrants to engage in arbitrage. Finally, and more fundamentally, resale also enables competitors to establish a presence in the market and begin to win customers. As it did in the interexchange market, resale can provide a starting point for a competitive local exchange in which an increasing number of facilities-based providers ultimately vie with each other for customers in both business and residential markets. Resale is, in short, the first step in establishing a competitive market for local service.

That first step is hard enough however, without the additional burden of making resellers' customers suffer disadvantages, inconvenience or more as a result of having exercised their choice. To that end, AT&T has made clear to Bell that it desires to be treated, in its many interactions with its wholesale supplier, in a manner that is at least equal to that which Bell employs in dealing with its own affiliates, so that AT&T's customers can receive, for example, the same installation or repair intervals that a

customer of BA-MD would receive. Bell's proposal, however, suggests otherwise, since it would propose to treat AT&T as any other retail customer, and thus provide only those capabilities and functions that AT&T's customers could themselves obtain. Because resellers cannot differentiate the actual service they provide from those of the underlying carrier, they must be able to exert competitive pressure on BA-MD in such areas as billing and customer service. But if BA-MD will not acknowledge AT&T and other resellers as firms attempting to provide competitive local exchange service, and not simply another consumer thereof, AT&T's and other resellers' efforts will be seriously, if not irreparably, doomed from the outset.

c. Branding: For the reasons stated above, resellers need the ability to distinguish their provision of service from that of the underlying carrier. AT&T indicated to Bell that branding of services and features that it would provide, and of contractors working on its behalf, was a critical component of its plans for service resale. Yet Bell's proposal flatly rejects the concept, and appears to foreclose an essential capability for resellers to establish an identity in the market.

d. Operator Services and Directory Assistance: AT&T desires to use its own operator and directory assistance platforms and requested that Bell route such traffic to AT&T. This request was discussed at the February 27-28 meeting, was reiterated in three (subject to check) meetings on the specific topic thereafter, and was emphasized

[4] Because of some ambiguity in the specific proposal, it is not clear whether or not resellers would be able to engage in practices such as co-branding.

separately in a meeting on another topic on April 23 as a very important element in AT&T's plans. In fact, in another region negotiations on this issue yielded agreement with the ILEC.[5] Bell Atlantic, however, has flatly refused to entertain AT&T's request, thus further limiting AT&T's ability to differentiate its local service offering.

e. Wholesale Rates and Avoided Costs: In an effort to facilitate Bell Atlantic's understanding of the methods by which AT&T has developed avoided cost figures, AT&T has provided Bell reports and outputs of its avoided costs model, and has met with Bell Atlantic to discuss the issues and explain the model. As noted above, however, Bell's proposal contains no discussion of avoided costs or of a wholesale rate. At a meeting on May 2, Bell Atlantic shared its concepts about a wholesale rate and an approach on a model it might employ. Not surprisingly, AT&T has some fundamental disagreements with several of the concepts Bell expressed. At a meeting on May 3, Bell Atlantic advised that it should be in a position to share proposed wholesale rates some time during the week of May 20, more than 80 days into the negotiation cycle.

3. Interconnection Agreements: By letter dated (and hand-delivered to the Commission) April 3, AT&T advised the Commission of its dispute with BA-MD regarding the applicability of the Act to Bell's pre-existing agreements with other carriers and end-users, and requested that the Commission intercede. Bell has stated in subsequent negotiation sessions in response to AT&T's inquiries in this area that it will address its requests in this forum. As time is even more essential to the progress of the negotiations now than it was

[5] This status was conveyed to Bell Atlantic by AT&T on March 28.

30 days ago, AT&T respectfully reiterates its request that the Commission order BA-MD to produce these agreements.

CONCLUSION

For the remaining 50% of the negotiations to be more fruitful than the previous 50% have been, the Commission should make clear that it will not countenance further delays. Periodic reporting to the Commission should continue. The Commission should also grant AT&T's petition to establish an interim wholesale rate.

APPENDIX B

Recent MCI Attempt to Negotiate
Interconnection Arrangements with USWest

Appendix B

Recent MCI Attempt to Negotiate Interconnection Arrangements with USWest

- MCImetro certified in Oregon on 1/12/96.
- Conference call held on 2/14/96 between MCImetro and USWest. MCImetro requests an interim interconnection agreement with USWest which is consistent with the bill and keep order issued by the Oregon PUC on 1/12/96.
- USWest stated they were unwilling to negotiate an interim agreement, but instead wanted to negotiate a comprehensive agreement consistent with the Telecom Act (i.e., resale, unbundling, interconnection, etc.), essentially saying that state action is preempted by Act.
- MCI asked USWest when they would have a comprehensive proposal, and USWest stated they would be able to tell MCImetro by 2/26 when a proposal would be received.
- On 2/26, USWest told MCImetro that a proposal would be sent on 3/29.
- MCImetro filed a Motion to Compel with the Oregon PUC on 3/11. The Motion requested that the PUC order USWest to interconnect with MCImetro in the manner indicated in the 1/12 Order.
- PUC held a prehearing conference call on 3/26 to attempt to resolve the dispute. The Hearing Office scheduled a hearing for 4/23, and requested that the parties attempt to negotiate in the interim.
- Meeting held in Minneapolis on 4/12 to negotiate agreement for Oregon.
- USWest reiterated position that they do not want to craft an interim agreement for OR, but at the end of the meeting, presented MCImetro a draft agreement entitled "Stipulation and Agreement for Interim Interconnection".
- USWest also detailed a tandem port shortage in OR that would not be relieved until the end of June. Therefore, even if an agreement were signed, MCImetro could not be in business in OR until the end of June, despite being certified in January.
- USWest detailed their proposal for compensation for interconnect facilities (MCImetro pays for transport to interconnect to end offices).
- MCImetro stated that this was inconsistent with PUC Order.
- Parties agreed to schedule a call for 4/16 to review the agreement.
- During call on 4/16, parties continued discussion of compensation for facilities and points of interconnection
- No agreement was reached.

- Hearing held in Salem, OR on 4/23.
- ALJ requests parties to continue negotiating, and to submit their proposal for what the PUC should order by 4/30.
- On 4/30 MCImetro submits proposal to PUC requesting single point of interconnection and bill and keep compensation.
- Parties held negotiation sessions on 5/2 and 5/7. No agreement has yet to be reached.

Bottom line: USWest will get at least a 6 month delay to MCI entry into Portland, but will paint it as MCI being unreasonable. MCI can get into business only on USWest's terms; no negotiation. Probably representative of what will happen with the 252 negotiations.

APPENDIX C

Examples of Delaying Tactics by Incumbent LECs

1. **Rates for Remote Call Forwarding (RCF) Used to Provide Interim Number Portability**. It is the TCC's view that the costs to provide interim number portability should be shared by all carriers in proportion to the total working telephone lines. The incumbent LEC should develop tariff rates by determining its costs and dividing this amount by its total working telephone lines. In New York, Nynex filed tariffs with rates which were calculated using this approach. The tariff was effective February 10, 1996. The rate for RCF using the Nynex formula should be approximately $0.20 per line, per month. There are no non-recurring charges for RCF in the Nynex tariff.

In contrast, in other states where the incumbent LECs have filed or proposed interim tariffs based on recovering the costs from new entrants only, rates have been significantly higher and substantial non-recurring charges are included. Some example include:

- U.S West -- Washington: $2.45 per line/month plus a non-recurring charge of $20.89 per number ported. In addition, there is a $107.28 non-recurring charge for the first ported number on a switch.

- Pacific Telesis -- California: $3.25 per line/month plus a $31.75 non-recurring charge.

- GTE -- California: $6.50 per line/month plus an unquantified non-recurring charge.

- SWB -- Texas: $3.10 per line/month plus a $16.65 non-recurring charge.

2. **Ameritech**. Last year, while opposing intraLATA toll dialing parity before the Illinois Commerce Commission, Ameritech structured an extensive advertising campaign on the difficulty of using access codes to reach alternative carriers.

3. **GTE-California**. The California Public Utility Commission ordered that all telephone lines be maintained in a ready dial tone state so that customers can dial 911 for emergency services. GTE implemented this capability, along with an additional feature that automatically and exclusively routes a call (if no digits are dialed within a few seconds) to GTE's business office for the sale and installation of new local telephone service. This capability is referred to as a "Warm Line" in GTE's Open Network Architecture (ONA) tariffs. This additional "Warm Line" feature implementation provides GTE with a competitive advantage in the California local exchange marketplace. The IXC carriers have requested that GTE stop this procedure immediately and arrange for all existing and new "ONA Warm Line" routing be directed to either a recording which refers customers to the phone directory for service or to a disinterested third party who can arrange for service from the customers' designated local exchange carrier.

4. **Bell Atlantic**. Last year, Bell Atlantic claimed to have "unbundled" local loops which competing carriers need to use to provide competitive local business service, but the Pennsylvania Office of Trial Staff found that depending on the offering, the unbundled rate was four to nine times the price Bell Atlantic charges for local service to its customers.

5. **NYNEX**. On August 8, 1995, AT&T submitted applications to NYNEX to construct four co-located cages in order to participate in the NYNEX local number portability trial. NYNEX had previously proposed, and the New York PSC had approved, a 15-week baseline schedule for final completion of the collocation sites. NYNEX informed AT&T that it would not honor the schedule for AT&T. NYNEX subsequently employed other tactics, including requiring excessive deposits, requiring signed contracts without prices, requesting that AT&T change its application to purchase from the interstate tariff, and offering an earlier "start date" if AT&T complied.

6. **Pacific Telesis**. Last year, at the same time that Pacific Bell was opposing dialing parity at the California Public Utility Commission, it ran an advertising campaign that emphasized the negative aspects of using access codes. The Pacific Bell brochure sent to customers states, "We're talking about guaranteed savings -- without complicated codes that are hard to remember and time-consuming to use correctly. Without searching through multiple sets of phone bills for the few pennies you might have saved."

7. **Rochester Telephone**. On February 2, 1996, the New York PSC issued a Show Cause Order, requiring Rochester Telephone to explain why (a) its wholesale rate for local exchange services should not be based on avoided cost, rather than an arbitrary five percent discount; (b) why it imposed a surcharge on resellers for usage about 750 minutes per line per month (effectively eliminating the five percent discount or many customers); (c) why it did not provide automated interfaces to its operating support systems as Rochester had agreed to do in its 1994 settlement agreement; and (d) why it did not provide new entrants with customer service information on behalf of the customer when the customer transfers to a competing local carrier.

8. **SNET**. In November 1995, SNET began a "PIC Block" practice, requiring customers to personally contact SNET before a PIC change can occur. This provides SNET with a direct opportunity to intervene in the customer's decision and delays the customer's change-over to a new carrier.

9. **US West**. On February 29,1996, US West filed suit against MCI and AT&T to enjoin their provision of intraLATA toll service permitted under a recent order by the Arizona PUC. US West claims that the Arizona Commission's December 1995 order authorizing MCI and AT&T to provide intraLATA toll service will cause US

West to suffer revenue loss and stranded investment, amounting to an unconstitutional confiscation of its property.

10. **US West**. Last month US West eliminated Centrex from its tariffed service offerings, but will grandfather all its existing customers. US West's withdrawal of Centrex service as an available service offering, while grandfathering their existing customers, effectively removes any future competitive opportunities that existed in reselling Centrex service.

11. **US West**. Electric Lightwave, Inc. (ELI) filed a motion, February 23, 1996 to compel US West Communications to comply with the terms of a recent decision by the Oregon Public Utilities Commission. The decision requires US West to interconnect with new entrants, like ELI, under the same terms and conditions as it currently does with other independent telephone companies in the state. ELI alleges that in recent meetings with US West, US West stated that it is not willing to negotiate an interim interconnection agreement consistent with the PUC's order. Instead, US West purportedly advised ELI that it is only willing to negotiate a comprehensive agreement under the terms of the recently passed Telecommunications Act of 1996.

12. **Southwestern Bell**. In recent contract negotiations with Southwestern Bell (SBC), LCI has been asked to sign a Billing and Collections (B&C) contract that would permit SBC to treat its subsidiary that provided long-distance service different than other interexchange carriers. Southwestern Bell claims that services such as B & C are not subject to the Act and, therefore, it can provide B & C services to its long-distance service affiliate on terms that are materially different than offered to its long distance competitors.

13. **US West**. LCI filed a complaint with the Department of Justice against US West for gross negligence in providing and maintaining access to US West's long phone network and impairing LCI's ability to compete in US West's service territory. LCI's complaint was prompted by a continuing series of incidents in which negligence on the part of US West caused service interruptions and installation delays for LCI business and residential long-distance customers in the US West region. In addition, US West improperly routed long-distance calls made by LCI customers to the networks of other long-distance customers.

14. **Ameritech**. In December 1995, Ameritech instituted a "PIC freeze program." Under this program, customers were encouraged to complete and return a bill insert directing Ameritech to "freeze" customers' 1+interLATA and intraLATA carriers. Although Ameritech promoted this program as a consumer protection initiative, the program was obviously designed to protect Ameritech's intraLATA toll market share (IntraLATA presubscription was being implemented in Illinois during April of 1996 and Ameritech's bill insert failed to inform customers that they would soon have a choice in selecting their 1+ intraLATA carrier). The Illinois

Commerce Commission (ICC) subsequently determined that, based upon uncontroverted evidence adduced at a hearing, Ameritech's management recognized that the bill insert could be construed as a barrier to competition designed to minimize the number of intraLATA customer "defectors." Consequently, the ICC found the bill insert "misleading, discriminatory and anti competitive."

15. **BellSouth**. BellSouth is requiring that LCI sign a non-disclosure agreement that would prohibit LCI from disclosing any discussions and conversations within the context of negotiations as authorized under Sections 251 and 252 of the Telecommunications Act of 1966 to any state or federal regulatory, judicial or administrative agency.

APPENDIX D

Customer Provisioning, Billing, and Servicing Standards
Necessary for Local Competition

May 10, 1996

Customer Provisioning, Billing and Servicing Standards Necessary for Local Service Competition

The following is an description of the key billing, provisioning, and customer service areas that require industry standards to insure effective local competition. These items will be pursued in the venues of public policy (FCC, PUC) and Local Exchange Company (LEC) negotiations. These standards apply to both resold services and unbundled elements.[1]

I. Ordering and Provisioning

In order for the Certified Local Exchange Company (CLEC) to be at parity with the incumbent LEC, the following service ordering and provisioning requirements must be met by the incumbent LEC:

A. *Real-time automated pre-service ordering system interface*
The CLEC must have real-time access through automated interfaces to the incumbent LEC pre-service ordering system(s) including the following systems and/or functionality:

- Telephone line number and loop assignment system(s).
- Incumbent LEC must provide access to systems that support the interim RCF number portability solution.
- Systems created to track and assign unbundled elements to customers.
- Work force administration system(s) for scheduling installation.
- System(s) listing the features and service availability by central office.
- New provider assumes all ordering and provisioning responsibilities of the telephone line number; therefore, the CLEC must have access to the telephone line number (TLN) card assignment system(s) and line information data base (LIDB).
- System(s) that provide the list of interexchange carrier (IXC) primary interexchange carrier (PIC) choices.
- System(s) that provide the existing customer service and equipment record when authorized local carrier change is effected.
- The incumbent LEC and CLECs must participate in a local exchange repetitive debtor process which would disclose unpaid closed account information (e.g. debtors).

[1] Although these standards apply to both service resale and unbundled network elements, there are specific requirements that are unique to unbundled network elements that are not reflected in this document.

The incumbent LEC must establish dedicated ordering and service centers for the CLEC.

B. *Real-time automated provisioning service order interface and confirmation*

The CLEC must have real-time access through automated interfaces to the incumbent LEC service ordering system(s) including the following systems and/or functionality:

- The CLEC must have access to the system(s) that provide for telephone number activation.
- The CLEC must have the ability to update the incumbent LEC telephone directory. This information would be included on the service order to the incumbent LEC.
- The incumbent LEC must provide a listing of the existing features on the customer's account. CLECs must have the ability to order new features for the customer.
- The CLEC must have the ability to update the 911 system(s) in the unbundled services environment.
- The CLEC must have the ability to provision a line as an Essential Service Line (ESL).
- The CLEC must have the ability to include IXC PIC selection on the service order interface. The PIC selection must cover both inter and intraLATA PICs.
- The CLEC must have the ability to block, suspend, and restore end-user access. This ability must cover all services, not just local service.
- For unbundled services the incumbent LECs need to establish and adhere to competitive intervals for the delivery of FOCs, Detail Layout Records (DLRs), and facilities. Such intervals need to ensure that facilities are provisioned in timeframes and according to standards that meet or exceed those that the incumbent LEC provides to itself for its own network and/or to end-users.
- The incumbent LEC is responsible for ordering service to terminate traffic to the CLEC. The CLEC will supply FOCs, and DLRs as described above.

C. *Real-time automated service order confirmation/status*

The CLEC must have real-time access via automated interfaces to the incumbent LEC service ordering system(s) including the following systems and/or functionality:

- Confirmation must be provided to the CLEC that the service order was received.
- Verification must be provided to the CLEC of the install date, features ordered, and directory listing.
- The incumbent LEC must provide exception reporting which highlights missed service installs.
- CLECs must have capability to access install status on a real-time basis.
- CLEC data must be treated as proprietary and partitioned in the incumbent LEC system(s)

II. Billing

In order for the CLEC to be at parity with the incumbent LEC, the following end-user billing requirements must be met by the incumbent LEC:

A. *Daily receipt of local usage in standard EMR format*
The incumbent LEC must provide a daily transmission of local usage to the CLEC using the EMR industry standard.

B. *Access to Bellcore CMDS in and out-collect process for inter-region alternately billed messages via a CMDS sponsor*
The CLEC must be able to participate in the Bellcore CMDS in and out-collect transport and settlements process for alternately billed messages that originate and bill in different Bellcore Client Company territories via a CMDS sponsor.

C. *Access to in and out-collect process for intra-region alternately billed messages via the appropriate Bellcore Client Company*
The CLEC must be able to participate in the Bellcore Client Company transport and settlements process for alternately billed messages that originate and bill in same Bellcore Client Company territory.

D. *Long term neutral third party in and outcollect process for inter and intra-region alternately billed messages*
The preferred solution for transporting and settling alternately billed messages that originate and bill in the same and different Bellcore Client Company territories is via a neutral third party administrator. The incumbent LEC should be required to cooperate with third party administrator, and provide whatever information is necessary for it to carry out the clearinghouse function.

E. *Provision of billing information for casual usage*

All local service providers must provide the necessary information needed for billing of casual usage. This includes the billing name and address (BNA) associated with the casual usage.

F. *Return EMI records to IXCs with CLEC disconnect rejection code along with OCN of ANI*
The incumbent LEC must return EMI records to IXCs with the CLEC disconnect rejection code along with the Operating Company Number (OCN) of the associated ANI. This is necessary because there does not exist any line information database or database product that provides the OCN of telephone lines at the Working Telephone Number (WTN) level; therefore, IXCs may incorrectly send usage to the incumbent LEC when another CLEC, under Total Services Resale or interim Remote Call Forwarding Local Number Portability, is providing service for the WTN. The OCN must be provided so that the IXC will know which local company provides service for the WTN.

III. Customer Account Record Exchange (CARE) and Account Maintenance

In order for the CLEC to be at parity with the incumbent LEC, the following customer CARE and account maintenance requirements must be met by the incumbent LEC:

A. *611 Protocols for repair*
All customers must be able to continue to use the existing "611" dialing protocol to access the repair center of their local service provider. The local service provider could then brand the repair service. The CLEC and LEC will implement a "warm transfer" process for misdirected repair calls

B. *Directory Listing and Operator Services*
The incumbent LEC should be required to list CLEC end-users in directory assistance and listing database(s) free of charge. The incumbent LEC should pass the operator handled/directory assistance (DA) call to the CLEC or provide CLEC branded operator services and DA at the discretion of the CLEC.

C. *IXC PIC processing*
The IXC PIC process should include the following capabilities:

- The incumbent LEC should implement electronic bonding with the IXCs for IXC PIC processing.

- The incumbent LEC must provide confirmation of the PIC change to the IXC including BNA information when the incumbent LEC is the local service provider. When a CLEC is the local service provider, the incumbent LEC must provide confirmation of the PIC change and the OCN of the CLEC to the IXC.
- The CLEC must provide the BNA to the IXCs optimally, real-time; minimally, within three days of the PIC change at the switch.
- A third party should be designated to provide auditing of actual IXC PIC processing performance.
- Only the IXC or the customer's local service provider is authorized to order a change in the customer's IXC PIC.
- All local service providers must provide account maintenance (CARE) processing to IXCs.
- The IXC data must be considered proprietary and protected
- The current FCC customer verification process for IXC PIC must be continued.

D. *Local PIC processing*

The process for customer selection of a local service provider should include the following capabilities:

- Only the new provider can issue a connect order to the incumbent LEC. Although the former local service provider may need to be involved in the provisioning process, a disconnect order from the former provider should not be required prior to working the new provider's service order for new service.
- The incumbent LEC must notify the former local service carrier of the loss of the service.
- The new local service provider must appropriately notify the old and new IXCs of the IXC PIC. This may/must be accomplished through new CARE records.
- The local service company data must be considered proprietary and protected.
- A customer verification process mirroring the FCC LD process must be established.

E. *Option of CLEC listed in the incumbent LEC telephone directory*

The CLEC must have the option of being listed as a local service provider in the information pages (customer guide section) of

the white pages and yellow pages directories, and must list their customers in the incumbent LEC telephone directory.

IV. Maintenance

In order for the CLEC to be at parity with the incumbent LEC, the CLEC must have read and write access to the incumbent LEC maintenance and trouble report system(s) including the following systems and/or functionality:

A. *Trouble reporting/dispatch capability*
The CLEC must have read and write access through an electronic interface to the incumbent LEC trouble reporting and dispatch system(s). Access must be real-time and on a first come first serve basis.

B. *Repair status, confirmations*
The CLEC must have read and write access through an electronic interface to the incumbent LEC maintenance and trouble report system(s) that will provide status on and confirmation of trouble tickets.

C. *Planned/unplanned outage and restoral reports initiated by wholesaler*
The incumbent LEC must initiate exception reporting which communicates both planned and unplanned outages and restorals to the CLEC.

V. Access Billing

In order for the CLEC to be at parity with the incumbent LEC, the following access billing requirements must be met by the incumbent LEC:

A. *CLEC is billed for wholesale service based on CABS standards*
The incumbent LEC should bill the CLEC for wholesale services using the Carrier Access Billing System (CABS) standards. The bills should be received through an automated and electronic interface.

VI. Data Availability

In order for the CLEC to be at parity with the incumbent LEC, the following data must be made available by the incumbent LEC:

A. *Customer lists*
The incumbent LEC must be required to provide customer lists to the CLEC for the purposes of directory listings.

B. *Network points of interconnection*
The incumbent LEC must provide to the CLEC information concerning all network points of interconnection.

C. *List of telephone exchanges*
The incumbent LEC must provide to the CLEC a listing of all telephone exchanges.

D. *Switch locations*
The incumbent LEC must provide to the CLEC a listing of all switch locations.

E. *Product Integrity*
In general, the incumbent LEC must provide data that allows the IXCs and the CLECs to control fraud.

F. *Comparative Reporting*
The incumbent LECs must provide reporting for their install time frames for their local service end-users. The LECs should also provide reporting comparing their wholesale services offer with their retail services offer.

VII. Public Policy only items

In order for the CLEC to be at parity with the incumbent LEC, the following end-user billing requirements must be met by the incumbent LEC:

A. *Pricing and service information about LEC agreements with other CLECs*
The incumbent LEC must be required to provide pricing and service information concerning the agreements they have made with other CLECs.

B. *Rate and feature information to be published in a tariff by the incumbent LEC*
The incumbent LEC must be required to file a tariff which provides information on their rates and features.